



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

January 22, 2003

Honorable Jerry Luke LeBlanc, Chairman
Performance Review Subcommittee of the
Joint Legislative Committee on the Budget
and Members of the Subcommittee
P.O. Box 44294
Baton Rouge, LA 70804

Re: Exceptional Performance and Efficiency Incentive Program Proposal
by the Department of Culture, Recreation and Tourism

Dear Committee Members:

In accordance with Louisiana Revised Statute (R.S.) 39:87.5(D)(8), we have completed our analysis of the material and substantive accuracy of the proposal submitted by the Department of Culture, Recreation and Tourism (CRT) for a reward based on the Exceptional Performance and Efficiency Incentive Program. CRT's proposal requests \$5,000 for supplemental compensation for one employee. This request is based on the exceptional performance of a CRT programmer in fiscal year 2001-2002, who created a Web-based database used to promote Louisiana tourism.

Attachment 1 to this letter provides the results of our verification and analysis of the proposal (Attachment 2). In summary, our verification and analysis found that all information and data contained in the proposal are materially and substantively accurate, except for the following:

- It appears that CRT understated the number of jobs created by the tourism industry in 2001.
- CRT could not demonstrate that travel writers are thrilled with the new Imagebase database.
- CRT could not provide evidence that images from the Imagebase database have appeared in most leading travel publications.
- CRT could not prove that its Imagebase database has shown any cost savings. CRT could only provide estimates of cost that could not be verified.

Honorable Jerry Luke LeBlanc, Chairman
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- The objective for fiscal year 2001 is misstated. The year included in the objective should be fiscal year 2001 instead of fiscal year 2002.
- The value reported in the proposal for two of the three performance indicators in fiscal years 2001 and 2002 do not match the values in the source documentation provided by CRT. It is unclear what the correct values are. These indicators are *Direct visitor spending* and *State travel and tourism related taxes collected*.
- CRT did not provide adequate source documentation for the performance indicator *Total number of visitors to Louisiana*. Therefore, it is unclear how many visitors actually visited the state in fiscal year 2001 and 2002.
- The proposal states that the Imagebase was being tested during fiscal year 2001 and not commonly available to the public. However, CRT records show that the Imagebase database was being used significantly prior to fiscal year 2002 and should therefore be considered to have contributed to the performance of the agency in fiscal year 2001.
- CRT was unable to show a correlation between the Imagebase database and an increase in travel to Louisiana.

I hope this information is useful in your legislative decision-making.

Sincerely,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with a large, stylized initial "G".

Grover C. Austin, CPA
First Assistant Legislative Auditor

GCA/dl

Attachments

[CRT03]

Office of Legislative Auditor

Department of Culture, Recreation and Tourism

*Verification of Proposal Based on the Exceptional Performance
and Efficiency Incentive Program*

Louisiana Revised Statute (R.S.) 39:87.5(D)(8) requires the legislative auditor to verify the material and substantive accuracy of the information contained in a proposal submitted pursuant to the Exceptional Performance and Efficiency Incentive Program. R.S. 39:87.5(D) provides the types of performance to be achieved to qualify for a reward. A proposal may be based on exceptional performance wherein an agency demonstrates that it has consistently met or exceeded a significant number of the standards for its key and supporting performance indicators related to a particular activity.

CRT bases its proposal on the exceptional performance of one of its employees from fiscal years 2001 through 2002, in creating a Web-based image database used to promote travel to Louisiana.

Proposed Reward Amount

CRT is requesting \$5,000 for supplemental compensation for Mr. Greg Wirth, who is the employee responsible for creating the Web-based image database.

Accuracy of Information in the Proposal

Our verification and analysis found that all of the information and data contained in the proposal are materially and substantively accurate with the exception of the following discussed below.

Confusion in the number of jobs created by tourism in 2001. On page 2 of the proposal, CRT states that the tourism industry employed tens of thousands of individuals in 2001. A study done by the Travel Industry of America (TIA) shows that visitor spending in fiscal year 2001 generated over 110,000 jobs in Louisiana.

CRT cannot demonstrate travel writer “thrill.” Page 2 of the proposal states that travel writers are thrilled with the Imagebase database. CRT was not able to concretely demonstrate the “thrill” that the proposal states travel writers have toward the Imagebase database. They were able to provide a few e-mails, but they did not convey the same meaning as was stated in the CRT proposal.

CRT could not support that pictures have appeared in most leading travel publications. Page 2 of the proposal states that pictures from the database have been included in most of the leading travel magazines. CRT was able to supply a number of ads showing that Imagebase pictures have appeared in numerous publications. However, a CRT official stated that only two of these publications were considered to be leading travel publications.

Cost savings of database cannot be substantiated. Page 2 and 3 of the proposal refer to the cost savings of the Imagebase database. However, to prove this statement CRT could only provide us estimates that could not be verified. Therefore, because of a lack of sufficient source documentation, we could not verify that cost savings occurred.

Fiscal year 2001 objective is misstated. Page 3 of the proposal lists the objective for fiscal year 2001 as *Increase the total number of visitors annually to Louisiana and the direct impact of those visitors by 3% during FY2001-2002.* However the correct fiscal year is 2000-2001, rather than 2001-2002.

The three performance indicators do not match their source provided by CRT. Page 3 of the proposal lists the fiscal year 2001 and 2002 performance indicator values for three indicators. Two of these indicators, *Direct visitor spending* and *State travel and tourism related taxes collected*, do not match the performance listed in the source documents provided by CRT. The table below lists the values presented in the proposal and the correct values based on documentation provided by CRT.

Director Visitor Spending		
Fiscal Year	Value in Proposal	Value Based on Source Documents*
2001	\$7.4 billion	\$8.7 billion
2002	\$9.2 billion	\$8.1 billion
*Source document is a study conducted by the Travel Industry of America (TIA).		

State Travel and Tourism Related Taxes Collected		
Fiscal Year	Value in Proposal	Value Based on Source Documents*
2001	\$371 million	\$397 million
2002	\$382 million	\$365 million
*Source document is a study conducted by the TIA.		

The remaining indicator “Total number of visitors to Louisiana” could not be found in the source documentation provided by CRT. In addition, the CRT fiscal year 2001 and 2002 Budget Request and the LaPAS database differ in the number they present for this indicator.

Database was used prior to fiscal year 2002. Page 3 states that the Imagebase database was in testing and not commonly available to the public in fiscal year 2001 and, as a result, did not affect the performance indicators. However, documentation provided by CRT shows that the Imagebase began getting increased use in early fiscal year 2001. Therefore, the database should be considered to have contributed to the performance of the indicators in fiscal year 2001.

Lack of correlation between database and increased travel to Louisiana. Page 3 of the proposal tries to connect the use of the Imagebase database to an increase in tourism. CRT states that the database has brought about an increased number of travel articles, which has increased the interest for the state and subsequently increased travel to the state. However, CRT could provide no proof to correlate the Imagebase database to an increase in tourism.

Attachment 2

Department of Culture, Recreation and Tourism

Proposal for Incentive Fund Reward
Based on Exceptional Performance

Department of Culture, Recreation and Tourism
Office of Management and Finance
Information Services Section
1051 North Third St., Suite 230
225-342-3334

Received by
E-MAIL at 4:55pm
on 15 Nov 2002

Elin Lead

The Louisiana Office of Tourism Imagebase Project

Created by: Gregory Wirth

Reward Proposal Based on Exceptional Performance for
Subject Fiscal Year: 2001-2002

Part 1, Section A

This proposal reveals the exceptional performance Greg Wirth, a programmer with the Department of Culture, Recreation and Tourism demonstrated during the creation of a Web-based image database that's used by travel writers and promoters throughout the US and abroad www.crt.state.la.us/imagebase.. It replaced a tedious manual effort that involved sending out selections of duplicate slides and saves a huge sum in Fed-X costs, duplication costs and person hours. The program was developed for the Office of Tourism's communications section.

Travel and Tourism is an enormous industry in Louisiana. The industry brought roughly \$8.2 Billion dollars into the state in 2001, employs tens of thousands of individuals and pays well over 350 million dollars in taxes each year.

Although Louisiana, and it's flagship city, New Orleans sells itself, it also needs a push. That push is a multi-million dollar print and electronic advertising program addressing travelers in the United States and abroad. Countless conversion studies show advertising works and the campaign continues.

Another form of advertising is also vital to the state. That's the editorial coverage that appears in travel magazines and travel trade publications. Many publications receive text articles, but do not have photos to illustrate them. Photographers charge anywhere from \$750 – 1500 a day to shoot on assignment, so most travel publications pay for stock photos or look for free ones. If they don't find the pictures, they can't do the project.

For years the Office of Tourism has made free pictures available to travel writers to assist them and see articles about Louisiana make it into print. Information Services proposed that the physical images be scanned into high resolution, publication quality image files and distributed over the web. Greg wrote the complex ASP Web database which places the images on line in a format where users can search for the subject they need. The resulting program, which we call the Imagebase, has been a tremendous success.

The Imagebase makes it possible for a writer to review a large number of images and select the ones they like instead of the ones the staffer liked. Travel writers are thrilled with the Imagebase because it makes their jobs much easier and the pictures are free. They can easily search the Imagebase for an image they need and download it to their computer. Imagebase pictures can be reproduced at 9 x 6 inches at 300 dots per inch, the industry printing standard. Pictures downloaded from the Imagebase have appeared in most of the leading travel publications.

There are currently over 1000 images up on the image base and constant editing removes some and adds new ones. The program can be reviewed at www.crt.state.la.us/imagebase.

Part 1, Section B

The Imagebase earns money by providing electronic, publication quality images to travel writers who promote Louisiana. It saves money by eliminating all the manual and subjective steps.

Savings occur in the significantly reduced need for staff members to interact with travel writers working on Louisiana travel articles. It eliminates the need for a staff member to edit slides for an article, it eliminates the need for a staff member to have the original slides duplicated, it eliminates the need to send the images Federal Express at state expense, it eliminates the need to have a staff member retrieve the images from the writer after their project is complete and it eliminates the need for a staff member to refile the images.

Performance Indicators 2000-2001

Increase the total number of visitors annually to Louisiana and the direct economic impact of those visitors by 3% during FY2001-2002.

Direct Visitor Spending: \$7.4 billion

State travel and tourism related Taxes Collected: \$371.4 million

Total number of visitors to Louisiana: 26.8 million

Image base in beta testing and not commonly available to the public. Did not contribute.

Performance Indicators 2001-2002

Increase the total number of visitors annually to Louisiana and the direct economic impact of those visitors by 3% during FY2001-2002.

Increase the total number of visitors annually to Louisiana and the direct economic impact of those visitors by 3% during FY2001-2002.

Direct Visitor Spending: \$9.2 billion

State travel and tourism related Taxes Collected: \$382.2 million

Total number of visitors to Louisiana: 22.6 million (paradigm for calculation changed).

The Imagebase contributes to this goal by increasing the number of travel articles on Louisiana, which in turn increases interest and visitation. No fixed numbers are available, but equivalent advertising space to article space in the average travel magazine would easily cost \$75,000 – \$100,000

Part 1, Section C

The project cost little except person hours. Included was:

2000-2001	
Slide digitization	\$1250.00
Greg – three weeks programming	\$2000.00
Student Worker for coding	\$500.00
Web server	\$0.00
Total	\$3,750

2001-2002	
Raid storage device to store images	\$3299.00
Maintenance and addition of images	\$500.00
Total	\$3799.00

Part Two: Action of Employees

Greg Wirth identified the steps to completion which included the selection of 1000 images of commonly requested subjects for digitization. This was done and the original slides were sent off and scanned into the Kodak CD format. The images were digitized at a cost of ca. \$1200. Next a database was created that collected the information on each image. Categories were developed like plantation, urban areas, and jazz, Cajun to help organize the collection. Key words were entered along with a full caption and id number. Then the images were put into the database by reference. The database was hooked up to the Web by a technology known as Active Server Page. This technology allows the programmer to create search criteria and then only sends down records (images) that meet the criteria. Mr. Wirth carefully studied past image requests, noting the logical subject categories and the other categories that reflect the way images were requested and refined the search program that's displayed on a form.

Using the search criteria, our in-house testers were easily able to find the subjects they looked for. The foundation of the search is geographic. It's then broken down by subject or topic. Travel writers often write about a specific place or event, so the geographic search focus was appropriate. Searching Natchitoches brings up every image in the Imagebase of that beautiful town in NW Louisiana.

Mr. Wirth coded the project in Visual Basic using Active Server Page to capture, process and return the images that match the search criteria. Active Server Page database manipulation is complex and requires a significant knowledge of both Visual Basic, but the universal language of the Web, HTML as well. HTML, script languages and graphics run on the users computer, while Active Server Page passes search requests up to the database engine and the results of the search back down to the users screen. Now Travel writers and others can look up a picture or series of pictures, download them and use them in articles right from their computers.

This proposal seeks to reward the programmer, Greg Wirth, who designed the Web application that makes the Imagebase possible. Mr. Wirth has not only saved the state money by developing an electronic alternative to a manual process, he demonstrated exceptional creativity and programming skill designing and implementing the Web application.

Part 3, Explanation of the Proposal Reward and its Use

The Department seeks to reward Greg Wirth with \$5000. This amount shall be used as supplemental compensation for the employee who worked on it at home at night and on weekends, but did not charge the hours because he loved the project. Should this amount be limited by law, then remaining funds would be provided to Mr. Wirth to purchase software and hardware he needs to do his job even better.